



General Assembly

February Session, 2004

***Raised Bill No. 5551***

LCO No. 1949

\*01949\_\_\_\_\_INS\*

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

***AN ACT CONCERNING PENALTIES FOR CONCEALING  
EMPLOYMENT OR OTHER INFORMATION RELATED TO WORKERS'  
COMPENSATION PREMIUMS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (g) of section 31-288 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2004*):

4 (g) Any employer who, with the intent to injure, defraud or deceive  
5 any insurance company insuring the liability of such employer under  
6 this chapter, (1) knowingly misrepresents one or more employees as  
7 independent contractors, or (2) knowingly provides false, incomplete  
8 or misleading information to such company concerning the number of  
9 employees, for the purpose of paying a lower premium on a policy  
10 obtained from such company, shall be guilty of a class D felony and  
11 may be subject to a stop work order from the commissioner.

12 Sec. 2. Section 31-69a of the general statutes is repealed and the  
13 following is substituted in lieu thereof (*Effective October 1, 2004*):

14 In addition to the penalties provided in chapter 557, this chapter

15 and chapter 568, any employer, officer, agent or other person who  
16 violates any provision of chapter 557, this chapter or subsection (g) of  
17 section 31-288, as amended by this act, shall be liable to the Labor  
18 Department for a civil penalty of three hundred dollars for each  
19 violation of said chapters and for each violation of subsection (g) of  
20 section 31-288, as amended by this act, except that any person who  
21 violates a stop work order issued pursuant to subsection (g) of section  
22 31-288, as amended by this act, shall be liable to the Labor Department  
23 for a civil penalty of one thousand dollars and each day of such  
24 violation shall constitute a separate offense. The Attorney General,  
25 upon complaint of the Labor Commissioner, shall institute a civil  
26 action to recover such civil penalty. Any amount recovered shall be  
27 deposited in the General Fund and credited to a separate nonlapsing  
28 appropriation to the Labor Department, for other current expenses,  
29 and may be used by the Labor Department to enforce the provisions of  
30 chapter 557, this chapter and subsection (g) of section 31-288, as  
31 amended by this act, and to implement the provisions of section 31-4,  
32 as amended.

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|--|------------------------|
| This act shall take effect as follows: |                        |
| Section 1                              | <i>October 1, 2004</i> |
| Sec. 2                                 | <i>October 1, 2004</i> |

***Statement of Purpose:***

To provide that employers who misrepresent the number or type of employees for purposes of paying a lower premium for workers' compensation insurance may be issued a stop work order and required to pay one thousand dollars per day for violation of the stop work order.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*